

# **Social Return on Investment Analysis: A Case Study of a Job and Skills Training Program Offered by a Social Enterprise**

Marlene Walk, Itay Greenspan, Honey Crossle, and Femida Handy

**Keywords:** social enterprise; social return on investment; case study research

## **Abstract**

This article uses a social return on investment (SROI) methodology to analyze the social impact of a social enterprise offering a job and skills training program to an unemployed, largely female population. The social enterprise is based in Toronto (Canada) and run by a nonprofit agency dedicated to the advancement and empowerment of women, primarily immigrants, through access to employment. We focus our analysis on a job and skills training program that provides clients with the skills and tools that they need to successfully seek employment in their efforts to (re-)enter the Canadian labor market. Our goal is to determine the tangible and intangible program outcomes by applying and testing the SROI methodology.

---

This is the author's manuscript of the article published in final edited form as:

Walk, M., Greenspan, I., Crossley, H., & Handy, F. (2015). Social Return on Investment Analysis. *Nonprofit Management and Leadership*, 26(2), 129–144. <http://doi.org/10.1002/nml.21190>

Unemployment has severe consequences for individuals and families because it may lead to negative experiences of social exclusion (Schmid and Gazier 2002) and life in poverty (Gallie, Paugam, and Jacobs 2003). However, gaining access to the labor market can be extremely difficult for unemployed individuals, especially for certain marginalized subgroups such as women (International Labor Office 2010; O'Connor 2000) and first-generation immigrants (Zietsma 2007). For women, both individual factors, such as taking care of the family and child rearing, and structural factors, such as welfare state regulations, hinder their success in the labor market (Stier, Lewin-Epstein, and Braun 2001). Successfully accessing the labor market is even more challenging for female immigrants, especially women of color, leading to frustrating migration and job search experiences (Creese and Wiebe 2012; Tastsoglou and Preston 2012). For instance, first-generation immigrants face various discriminatory barriers to full integration into a host society. These barriers include, among others, adapting to a new language, difficulty accessing services, and the devaluation of existing skills and undervaluation of credentials from their countries of origin (Aydemir and Skuterud 2005; Handy and Greenspan 2009; Reitz 2001; Walk et al. 2014).

Social enterprises—defined as organizations that aim to achieve a social goal by breaking even (or even making a profit) through the sale of services (Quarter, Ryan, and Chan 2015)—have been regarded as valuable organizational venues for mitigating social exclusion (Kerlin 2010), for example, through the provision of skill and employment training programs to unemployed individuals (Spear and Bidet 2005; Vidal 2005). Investment in skills-training services that target the development of job skills for immigrants and other marginalized groups can facilitate a successful integration into sustainable employment (Cohen-Goldner and Eckstein 2010). Skills-training programs have benefits beyond the acquisition of skills. For participants, these programs boost self-esteem and self-efficacy (Creed, Bloxsome, and Johnston 2001). For employers, they offer increased diversity in the workforce (Kirsh et al. 2010), and such programs create an improved sense of belonging to the community for participants

(Corbiere and Lecomte 2009; Tastsoglou and Preston 2012). However, the continuation of these skills-training programs might be challenged in coming years, as public funding shifts toward short-term employment programs without a skills-training component (that is, applied, hands-on workshops or internships; Creese and Wiebe 2012). It is here that demonstrating the social impact of a job training program run by a social enterprise might provide arguments in favor of these programs and, consequentially, contribute to reversing this defunding trend.

This article uses a social return on investment (SROI) approach to examine the benefits of a job and skills training program administered by a Canadian nonprofit organization. Our goal is to better understand the social impact of this program in the field of work integration by specifically including the clients' perspectives. We focus on a particular social enterprise offering a job and skills training program; this social enterprise is a registered private career college and is run by a nonprofit agency serving an unemployed, largely female population that is predominantly first- or second-generation immigrants in Toronto, Canada.

We first present a general description of the case study that we analyzed: the Working Skills Centre (WSC), its social enterprise Academy of Computer & Employment Skills (A.C.E.S.), and the job and skills training program that is the focus of our analysis. We then discuss the SROI methodology and engage in the analysis of the social value of the job and skills training program. Last, discussion and implications are offered. Given the increasing importance of program evaluation to justify funding, political support, and agency reputation, this analysis offers a useful platform for scholars and practitioners wishing to utilize the SROI approach for the study of nonprofits and their social enterprises.

## Background

### Access to the Canadian Labor Market

Access to the labor market can provide serious barriers to individuals seeking employment. Recent statistics show that among the general unemployed population, average length of unemployment was approximately twenty consecutive weeks (Employment and Social Development Canada 2012). Individuals living in Ontario—where the WSC is located—experience, on average, 21.8 weeks without work. The average unemployment rate in Canada was 6.9 percent in 2014, but is almost doubled (12.9 percent) among immigrants who arrived fewer than five years ago (average unemployment among all immigrants was 7.8 percent in 2014) (Statistics Canada 2015b). Generally, unemployment rates for women are lower than those of men (5.2 percent vs. 6 percent for the 24–54 year old; 4.9 percent versus 6.4 percent for those ages 55 and older); however, women have a lower share of overall labor market participation when compared to men (82.1 percent versus 90.80 percent for the 24–54 year old; 31.3 percent versus 43.4 percent for those 55 and older) (Statistics Canada 2015c). Moreover, women in Canada participate less hours and earn less (mean earnings and hourly wages are lower) than men across education levels; this trend is even more pronounced for mothers than for non-mothers (Sigle-Rushton and Waldfogel 2007). Reasons for these differences can be attributed to individual factors such as family situation, but structural factors such as welfare state regulations might also influence women's success in the labor market (Stier et al. 2001).

As indicated previously, access to the labor market is even more challenging for relatively recent immigrants, especially female immigrants (Creese and Wiebe 2012; Tastsoglou and Preston 2012). Even though most of the immigrants arriving in Canada are highly educated (Statistics Canada 2015a), they face various barriers when attempting to access the labor market. Adapting to a new language is one of the most profound barriers in accessing the labor market (Aycan and Berry 1996; Aydemir and Skuterud 2005). Correspondingly, only about 9.5 percent of immigrants arriving in 2013 reported English as their mother tongue (Citizenship and Immigration Canada 2013). Moreover, Canadian immigrants frequently

encounter difficulties in getting their previously earned credentials acknowledged (Aycan and Berry 1996; Bauder 2003; Reitz 2001).

It is here that A.C.E.S. might have a distinct social impact in helping members of its largely female and partially immigration-experienced population to access the labor market.

#### Organizational Setting: The Case of Working Skills Centre

Established in 1978, WSC describes itself as “an innovative, community-based, non-profit, charitable organization that empowers immigrants, primarily women” whose mission is “to prepare our clients to fully participate in Canadian society by providing skills training, work experiences, and settlement services that ultimately lead to employment” (Working Skills Centre n.d.).

The WSC serves as many as 3,200 clients annually through settlement services, job placement, professional development, and skills training. The client population is largely unemployed, predominantly female, and first- or second-generation immigrants, though the number of Canadian-born clients has increased in recent years. In 2008, WSC's longstanding community-based training programs were registered as a private career college under Ontario's Private Career Colleges Act (2005). The new career college, known as the Academy of Computer & Employment Skills, or A.C.E.S., has operated as a social enterprise since its inception. The lion's share of program revenues stems from contracts with third parties, primarily with the City of Toronto. Other revenue sources are provincial funds through social assistance, fee-paying clients, and corporate and individual donors, which help to fund scholarships and bursaries for selected student-clients. This funding structure fits the definition of a “supported social enterprise” (Mook et al., 2015).

A.C.E.S. runs a job and skills training program that awards diploma certificates for a variety of courses such as office administration, computerized accounting, and medical reception. All courses are

composed of three modules: (1) a six-month academic training, (2) a six-week internship, and (3) a job search support component. During the six-month (600 hours) training, students attend classes five days a week (9:00 a.m. to 4:00 p.m.) on a range of topics such as Microsoft Office applications, SAP, and office procedures. Hands-on workshops and small-size classes ensure that the students receive both group and one-on-one instruction in an environment that mirrors a professional work setting. Program graduates apply the learned skills and gain practical experience during the subsequent six-week internship. This is followed by a six-month support period during which A.C.E.S. provides to graduates job search and job maintenance assistance such as preparation of résumés and pro bono mock interviews.

Potential students can learn about the job and skills training program by attending information sessions that are held regularly at WSC, by referrals that social assistance caseworkers give out to their clients, by WSC's outreach and advertisement efforts, or by former students who frequently refer friends and acquaintances to the program. Because A.C.E.S. is a vocational program regulated by provincial legislation, clients must meet eligibility requirements upon enrollment. As a result, it is the agency rather than client's choice that determines final enrollment decisions. Students need to be eighteen years or older, commit to attend the training for its entire duration, have a certain level of English language proficiency and basic computer literacy, and hold at least a Secondary School Graduation Diploma or an equivalent. Prior to acceptance decisions, interested clients must complete English, math, and computer literacy assessments and go through an interview with WSC employment counselors to assess job readiness and employability. An admissions team makes the final decision for enrollment because demand continually exceeds supply. Spaces in the training program are thus offered to those candidates who are most likely to be successful. Individuals can enroll to the program free of charge if they receive social assistance (Ontario Welfare) from the provincial welfare system. In 2012—the focus year for this SROI—about 89 percent of training participants received social assistance.

Agency records collected at six and twelve months after program completion suggest that students have a 70 percent success rate in finding employment. Anecdotal evidence from informal interviews with staff and former clients and an evaluation of pre- and post-training program satisfaction suggest that even those students unable to find immediate employment benefit from the program by learning workplace customs and culture such as punctuality, adhering to procedures, and regular attendance (Walk et al. 2015). At the same time, the empirical data also suggest that clients' pre-training expectations are not completely aligned with their post-training outcomes (Walk et al. 2015). As such, clients tend to underestimate the time and energy that is necessary to obtain employment but are positively surprised by other changes in their lives such as an improved ability to handle finances.

#### SROI of the A.C.E.S. Job and Skills Training Program

To better understand the social value that the job and skills training program creates in the lives of clients and to demonstrate the program's social impact to funders, potential employers, and other stakeholders, a study using a social return on investment methodology was undertaken. The SROI methodology is meant to capture social value that is not usually reflected in conventional financial accounts (Maier et al. 2014; Nicholls et al. 2012); as such, the SROI considers both the tangible (that is, employment) and intangible (for example, improved well-being, family relations) outcomes of the evaluated program. The SROI method we used for this study draws on clients' evaluations of the distinct impacts and assigns financial proxies to the impacts that do not usually have a monetary value. Giving stakeholders, in our case A.C.E.S. clients, a voice in the financial evaluation process is important because it draws attention to the social mission of the social enterprise (Maier et al. 2014). Furthermore, the SROI results help the social enterprise to better communicate the relationship between the inputs and the ultimate outcomes to a whole range of stakeholders (for example, clients, funders, volunteers,

instructors, future employers), thus increasing transparency and accountability (Rotheroe and Richards 2007).

The SROI method is based on conventional cost-benefit analysis, a systematic process for calculating benefits and costs of a project or program and ultimately used for decision making by government or other funders (Cellini and Kee 2010). The SROI, however, takes cost-benefit analysis a step further in assigning monetary values to other returns, such as social or environmental, to demonstrate a holistic view of the value that has been created and is specifically targeted to inform the decision making of practitioners in social enterprises and (potential) funders. The SROI assesses the worth of the social outcomes created by a social enterprise and puts these in relationship with the relative costs needed to achieve these outcomes (Rotheroe and Richards 2007). The SROI ratio is, thus, a measure of monetized social value. This study followed a six-stage SROI method suggested by the SROI Network and is outlined next (Nicholls et al. 2012; SROI Network 2013). Although still a new methodology, SROI studies have been commonly used in the work integration field (Krlev, Münscher, and Mülbert 2013). In the presentation that follows, we illustrate both the process and the results of the SROI. To avoid over-claiming and to ensure transparency, we adopt conservative assumptions whenever possible.

#### Stage 1: Establishing Scope and Identifying Stakeholders

In this SROI analysis we wanted to demonstrate the value that the job and skills training program creates. Our goal was to have practical implications for WSC and to communicate these findings and implications to funders and supporters of the agency. Indeed, WSC hopes to use this SROI analysis to better understand the ways its social enterprise A.C.E.S. achieves positive change in the lives of its clients, and to demonstrate the program's impact to the City of Toronto and other program



fundors to ensure continued funding and to identify possible ways to improve the program content and administrative setup. The main stakeholder groups of the studied initiative are clients (program participants), WSC staff, freelance and full-time instructors, volunteers, and funders. We focus on direct involvement of clients, because they constitute the most important and most immediately affected stakeholder group. Our decision was also guided by constraints of money and time.

## Stage 2: Mapping Outcomes

A central feature of the SROI analysis is the development of a theory of change that illustrates the pathway of how an organization or an initiative (in our case, WSC and A.C.E.S.) enacts change, thereby achieving its mission in a way that is both socially and economically sound.

WSC's theory of change is presented in Figure 1. Based on the theory of change, we built our impact map, which details how the job and skills training program uses certain resources (“inputs”) processed by enacting certain “activities” with tangible deliverables (measured as “outputs”), and resulting in short- and long-term outcomes for stakeholders (Rotheroe and Richards 2007; see Table 1). It is important for A.C.E.S. to assess the extent to which their job and skills training program results in employment of their graduates as well as wider impact on the well-being of clients. As such, the employment status of recent graduates was assessed to evaluate the program's effectiveness. In addition to finding employment as a central tangible outcome, this SROI takes into account other “softer” and more intangible outcomes such as increased personal assets (for example, confidence, self-efficacy, personal growth) as well as changes in clients’ social and professional networks. For the evaluation of these less tangible short- and long-term outcomes, we draw on qualitative data, as described in Stage 3.

The research team discussed the inputs (direct and in-kind) of or related to the main stakeholder groups (that is, clients, instructors, volunteers, and funders) and evaluated them carefully.

As detailed in Table 1, the overall inputs per client going into the job and skills training program amount to C\$5,004. For instance, we include volunteer inputs (five volunteers who on average volunteer twice a week for five hours each, which corresponds to 1.25 full-time equivalent, FTE) into the program consisting of their donated time, which was valued at the replacement wage rate for a receptionist of C\$13.00 per hour.

### Stage 3: Evidencing Outcomes and Giving Them a Value

In this stage, the research team identified the indicators for the outcomes, the quantity and duration of the outcomes, and the financial proxies to measure them. This SROI analysis draws on quantitative administrative data as well as qualitative client input.

#### Administrative Data

Data, including demographics, employment, and education information, are routinely collected using an intake form from potential participants attending information sessions at A.C.E.S. For the purpose of the SROI, we used the data of the 2012 program cohort. The demographic characteristics of this cohort (n = 110) were highly diverse. The average age was 36 years (range: 20–59); 92 percent were female; 72 percent were single and unmarried; 43 percent reported that English was not their native language; 89 percent received welfare benefits; 50 percent reported having a first-generation immigrant background; 28 percent had (less than or equivalent to) a high school education, 35 percent had some college experience or a college degree, and 37 percent held a university degree. The sample is considered to be well educated, mirroring the overall demographics of immigrants to Canada (Statistics Canada 2015a).

In terms of program breakdown, 42 percent attended the medical receptionist training, 25 percent enrolled in the office clerk program, 19 percent participated in the computerized accounting training, and 14 percent enrolled in the administrative assistant training. The majority of the cohort (74

percent) completed the training program, while 26 percent of the participants (n = 29) dropped out before graduation. These dropout rates are lower than those of other training programs (Disney 1992; Perista and Nogueira 2004) and are consistent with records of previous years at WSC. Agency records indicate that the key reasons for participants dropping out were finding employment prior to program completion. Because the job and skills training program necessitated full-time attendance (Monday–Friday, 9:00 a.m.–4:00 p.m.), clients offered job opportunities often opted to drop out and take on employment rather than completing the program. In previous years, dropouts could also be explained by personal reasons (such as pregnancy, deportation, mental or physical health issues). According to agency records, 70 percent of the 2012 program cohort found employment; of those, 62 percent graduated from the program and 38 percent withdrew prior to graduation. WSC's success rate of finding employment is comparable to other work integration social enterprises, where rates varied from 58 to 85 percent (Amyot and Fairholm Mader 2014; Denny et al. 2011) as well as to similar programs coordinated by the City of Toronto, which report a 55 percent success rate within four months of program completion (Toronto Employment and Social Services 2014).

### Qualitative Analysis

To gain deeper insights into clients' views of the job and skills training program outcomes, we collected qualitative data from a sample of convenience consisting of nine clients participating in the 2012 program cohort: five interviewees participated in two focus groups, and four interviewees took part in in-depth interviews. The focus groups were conducted about twelve months after the program's completion, and interviews were conducted six months later. For the focus groups, participants were recruited with the aid of staff at the WSC. Out of thirty-five invited people, nine committed to

attendance and five attended. For the interviews, the first author recruited participants; out of eight invited individuals, four were able to attend.

All but one of the interviewees were female; three had an immigrant background (first- and second-generation), while six were Canadian-born. Participants' age ranged from 29 to 56 (mean age = 41). Six participants were single, two were married, and one divorced. Six participants had children. Eight participants had previously attended (but not necessarily completed) professional training at a college; one held a university degree.

At A.C.E.S., five interviewees attended the office administration program, three the medical reception program, and one the computerized accounting program. Corresponding to the quantitative data, eight interviewees found employment after completing the program, but not necessarily in the field for which they were trained at A.C.E.S. Of these eight, one left the program early because she had obtained a full-time administrative position.

All participants in focus groups and interviews were asked about their experience with A.C.E.S., the perceived benefits of their job and skills training program participation, the extent the program had prepared them for the job market, and their success in finding a job. Following participants' consent, interviews were digitally recorded and then transcribed. Analytic induction and constant comparison strategies were used to elicit common themes in the transcripts (Glaser and Strauss 1967).

## Findings

Two themes emerged from the analysis: tangible and intangible outcomes. We start with tangible outcomes. Program attendance was clearly linked to the success on the labor market. As one participant said, "If I had not come to Working Skills Centre, I'd never found a job. ... That's for sure." Respondents particularly valued the skills they acquired during the training program. Because most of

them were computer illiterate before program attendance, exposure to tools such as Excel and PowerPoint were regarded as helpful. Women with immigrant backgrounds also valued getting information about their rights and responsibilities at work, as well as the opportunity to learn “about the Canadian work environment, socializing with others and [gaining] experience on public speaking.” All respondents found the program's employment search support beneficial and regarded the six-week internship as a good opportunity to get work experience, especially because it put them in touch with potential employers.

Besides the tangible outcomes, the respondents pointed to several intangible outcomes—other areas in their lives that changed during and after program attendance. They especially valued the social networks that they developed during the job and skills training.

The group of ladies that you meet in the classroom, you kind of take them along with you for the rest of your life for as much as you can. ... We chose the people to stay in contact for a reason because we are helping each other. ... The personal skills and their social skills all come out because we're so close-knit and we're so accepting.

More than one individual pointed out that they were recommending each other to respective employers when jobs became available at their workplaces. The social networks that developed between these women were precious resources that lasted beyond program attendance. These networks were regarded as even more important for immigrant women, who reported not having many relatives or friends to fall back on. One woman summarized her view by explaining the importance of networks in understanding how other women in similar positions cope:

Knowledge is power and immigrant ladies that do come here, [find] a power of example too. It's encouraging, it's comforting ... it's a resource that I can come to.

Another distinct area of change was improvement in confidence, self-efficacy, and personal growth. Participating in the job and skills training program was equated to leaving one's comfort zone, which ultimately led to personal growth and the feeling of accomplishment and increase in self-confidence. As one interviewee observed:

I grew a lot at WSC ... coming from just home to WSC and I would just open up too. It's like a flower just blossomed because I was like wow, all these things home, school, you know, and now I'm doing day care, school. ... I loved the challenge. ... My confidence did grow because I was quite shy. [The program] really made a difference in my life. Like I'm just seeing it as, you know, my, I'm shooting for the stars so to speak.

Those who were successful in finding employment expressed especially strong opinions about improved confidence and self-efficacy. Furthermore, the program had spillover effects on family and private life. Participants mentioned that they learned “how to balance a little bit more financially”; that the program helped them to better structure their days, because they were “getting ... into the habit of having to be somewhere”; and that the families in general were supportive and “so happy” about their successes.

The respondents expressed very emotional views about WSC. They regarded WSC as “a safe place to come back,” mostly because staff members were perceived as accommodating, helpful, and as a fundamental resource contributing to the positive feelings during program attendance and after its completion.

That's why I love the school so much; [it] is because of the extra stuff that we got here as students. Like, if it had just been the course itself, I may not have decided to come ... here today to talk to you, but it is the other things that come part and parcel with the education that make this place worthwhile.

In summary, these qualitative findings indicate that the job and skills training program was helpful for respondents in finding employment by upgrading their job skills and helping them with the application process (tangible outcomes). In addition, participants improved their confidence and underwent personal growth during the program (intangible outcomes). Staff members as well as fellow students played an important role in this process.

Another important part of Stage 3 is the development of financial proxies for each outcome. We used the qualitative findings presented previously to develop financial proxies. Outcomes were determined to be: higher earnings resulting from program certification, finding employment, increase in time management skills, increase in personal assets (that is, self-esteem and self-efficacy), increase in social and professional networks, and a reduction in the costs of social assistance and subsidies from the government. For each of these outcomes, we set a financial proxy that would reflect the intangible change that had taken place for the participants. Financial proxies were determined based on past studies or matched to evidence in our specific context. For example, forty-four interviewees reported increase in confidence and self-efficacy. Previous SROI studies valued the increase in personal assets such as these at 3 percent of gross income using “pre”-income data (Momentum 2012). Drawing on these previously established indicators, we used clients’ social assistance payments as their “pre”-income data and applied this to 44 percent of our sample while also accounting for differences in marital

status and number of children in the family. (Social assistance payments are staggered according to marital status and number of children.)

#### Stage 4: Establishing Impact

In this step, we assessed whether the outcomes are the result of A.C.E.S. activities or should be attributed to other sources. This step reduces the risk of over-claiming and is essential in the SROI process. In particular, we focus on three precautionary measures: deadweight, attribution, and drop-off.

Deadweight is a measure of the amount of outcome had the job and skills training program not taken place. Deadweight is calculated as a percentage of each outcome that would have occurred regardless of A.C.E.S. input. We use a benchmark that reflects the change that would have occurred otherwise (Nicholls et al. 2012). For instance, to account for the deadweight in relation to “finding employment,” we use the percentage reduction in unemployment rates reported for Ontario by Statistics Canada (2014) between March 2013 and March 2014 (–3.1 percent). This percentage was deducted from the total quantity of the outcome. Another example is the increase in personal assets; we assume a medium percentage change (10 to 25 percent) had the clients not participated in the program (see Table 2).

Attribution reflects our awareness of how much of the outcome was caused by the contribution of other organizations or people outside of A.C.E.S. (SROI Network 2013). Percentages indicate the amount of change that is not attributable to A.C.E.S.; this attribution is subtracted from the value accrued to each outcome. For example, we accounted for outside changes occurring in the social and economic environment that might have affected the participants through the course of the program (20 percent), but left the remainder (80 percent) of the occurred changes as part of A.C.E.S.’s contribution (see Table 2). These estimates were reached by consulting the staff and the executive director of the WSC and by discussions among the members of the research team.



Drop-off rates are calculated for outcomes lasting longer than a year. For example, for the outcome “finding employment,” we know from informal interviews with staff and the executive director that 30 to 50 percent of the clients eventually go back on social assistance. We therefore estimated drop-off rates to be the mean of that range (40 percent). Drop-off rates were estimated before applying discount rates. Discount rates are applied to account for future costs and benefits and to adjust these to a present value (Nicholls et al. 2012). We acknowledge that we use estimates for drop-off rates that are higher (more conservative) than reported in similar types of programs (12–33 percent) (Action Group 2011; Nicholls et al. 2012; Off Centre 2012).

#### Stage 5: Calculating the SROI

We summarized and calculated the financial value of the investments (inputs) and the financial values of the social costs and benefits (outcomes). Calculations resulted in a present value of C\$10,384. The net present value (NPV) is calculated by adding the costs and benefits paid or received in the different time periods. Following previous studies, we applied a 3.5 percent discount rate (Lowe 2008). Calculations of the NPV, then, resulted in C\$5,381. Based on these results, we calculated the SROI ratio = present value of outcomes / value of inputs:

$$\text{SROI} = \text{C\$}2.08$$

This means for every dollar of investment in the job and skills training program, C\$2.08 of social value is created.

Sensitivity analysis was conducted to investigate the differences in outcomes when different estimates are used. For instance, we agreed upon attribution and deadweight estimates as being “low” (5–10 percent) or “medium” (10–25 percent) indicating potential ranges. The SROI analysis was run with

the midpoint of the suggested ranges (see Table 2), and sensitivity analysis was then run with the upper and lower boundaries of these ranges. In the low-impact scenario (applying upper boundaries), the SROI ratio was C\$1.81:C\$1 with a net present value of C\$9,032. The high-impact scenario yielded an SROI ratio of C\$2.37:C\$1 with a net present value of C\$11,843 (detailed analysis available upon request).

#### Stage 6: Reporting, Using, and Embedding

Drawing on both quantitative and qualitative data, and using best-possible assumptions, we quantified and analyzed the anticipated impacts of the job and skills training program using the SROI method. Our analysis indicated that the job and skills training program requires almost C\$5,004 of investment (direct and in-kind) per client per year. This, in turn, created a social value of C\$10,384 to each client that attended during that year. Subtracting the value of investment from the social value created showed that overall the job and skills training program has created a net present value of almost C\$5,381. The analysis estimates a social return on investment of C\$2.08:C\$1, meaning that in terms of social impact, each Canadian dollar invested in human and financial capital through the job and skills training program yields a return of just over two Canadian dollars.

The SROI is viewed by WSC as a tool that can be rolled out to all areas of activity beyond the job and skills training program. The plan is to embed the SROI analysis within the organizational culture and to communicate it to funders, supporters, and beneficiaries through annual reports. Finally, and most important, we perceived that clients valued the job and skills training program for both tangible and intangible outcomes. As such, we anticipate that the SROI results will help future clients decide whether or not the program is an effective means to the desired end—finding employment and better integrating into Canadian society.

#### Discussion and Conclusion

Venturing into the SROI process was stimulating and challenging alike. The iterative process of assessing and (re)evaluating the program components and assigning quantifiable metrics to the outcomes provided us with insights into WSC's procedures and, thus, helped the organization to reflect on its own practices. The SROI Network handbook (Nicholls et al. 2012; SROI Network 2013) was invaluable in understanding the underlying concepts behind the methodological process, as none of the team members was previously familiar with the method. We were also part of a larger case study group and leveraged knowledge from regular exchange opportunities. We recommend having one person on the team who becomes an “expert” on the methodology, collects examples of other SROI cases, and prepares the meetings (stage-by-stage analysis). In this regard, our process went relatively smoothly, especially in the early stages.

The key benefit was the agency's ability to translate its work into a quantified social impact and, based on that, to communicate the generated social impact to funders and other supporters. This is clearly an advantage to a social enterprise competing in the marketplace for student clients and supporters. Another (unanticipated) benefit of the study was the impact on the staff and leadership at A.C.E.S. Whereas staff and leadership tend to believe that their program is effective, the SROI helped them evaluate the actual social impact of the program. Employees felt empowered through the ability to talk clearly about the benefits that their work creates. To extend this benefit to funders, the SROI will be included on a brochure and annual reports to highlight the social impact the job and skills training program generates.

The process was lengthy, and we had anticipated it would proceed faster than it did. The major challenge were resources; more resources than anticipated—especially time—were required to complete the process. Our experiences were not unique; the SROI has been identified as one of the most resource-intensive methods for assessing social value (Stevenson et al. 2010). As a result, we had to narrow down which of the stakeholder groups to include in the analysis. Besides the focus on clients,

we could have included other groups such as employees or volunteers, but ensuring direct involvement from these groups would have required more financial resources and time.

The SROI methodology has received profound critique in the recent past (Maier et al. 2014; Mertens, Xhaufclair, and Marée 2015). For instance, Maier and colleagues (2014) identify the difficulties in monetization and comparison of intangible outcomes, the lack of depth when the social value of an organization or a program is reduced to a sole number of the SROI ratio, the limits to comparability across organizations, and the lack of standardization as the most severe limitations of the method. Similarly, Mertens et al. (2015) argue that the SROI methodology does not stay true to the cost-benefit analysis principles because of the addition of outcomes that pertain to more than one stakeholder group; the present value, thus, is limited in its meaning. It is not our aim to contest this criticism, but merely to acknowledge the limitations of the methodology.

We identify two limitations to our study. First, the qualitative component of the analysis might be limited insofar as we spoke only to a subset of program participants. As such, the qualitative evidence provided here may be prone to self-selection bias and may not accurately reflect the opinions of the full cohort. Second, even though we used established financial proxies to assess the monetary value of the outcomes and selected proxies after rigorous discussions in the research team, some of these selections were subjective. Other research teams might decide on different proxies, depending on the study context.

For the current case, we believe that the benefits of the SROI method such as providing legitimacy, clarifying organizational goals, and increasing transparency (Maier et al. 2014) outweigh the costs, especially because the WSC previously had few tools to assess the impact and effectiveness of its job and skills training program. The SROI provides nuanced insights into clients' realities and the perceived impact of the training program on their lives. It is thus a valuable step toward assessing the tangible and intangible impacts of supported social enterprises.

## References

Action Group. 2011. *Social Return on Investment (SROI) Analysis—An Evaluation of Social Added Value for Real Jobs*. Edinburgh: Action Group. [http://base-uk.org/sites/base-uk.org/files/%5Buser-raw%5D/12-03/sroi\\_real\\_jobs\\_evaluation\\_accredited.pdf](http://base-uk.org/sites/base-uk.org/files/%5Buser-raw%5D/12-03/sroi_real_jobs_evaluation_accredited.pdf).

Amyot, S., and K. Fairholm Mader. 2014. *Pathways to Success for Youth in BC's Capital Region: The Power and Potential of Social Enterprise*. Victoria: BC Centre for Employment Excellence by the Community Social Planning Council of Greater Victoria. [www.communitycouncil.ca/sites/default/files/2014\\_Youth\\_Social\\_Enterprise\\_Report\\_CFEBC\\_CSPC.pdf](http://www.communitycouncil.ca/sites/default/files/2014_Youth_Social_Enterprise_Report_CFEBC_CSPC.pdf).

Aykan, Z., and J. W. Berry. 1996. "Impact of Employment-Related Experiences on Immigrants' Psychological Well-Being and Adaptation to Canada." *Canadian Journal of Behavioral Science* 28 (3): 240–51.

Aydemir, A., and M. Skuterud. 2005. "Explaining the Deteriorating Entry Earnings of Canada's Immigrant Cohorts, 1966–2000." *Canadian Journal of Economics/Revue canadienne d'économie* 38 (2): 641–72.

Bauder, H. 2003. "'Brain Abuse,' or the Devaluation of Immigrant Labour in Canada." *Antipode* 35:699–717.

Cellini, S. R., and J. E. Kee. 2010. "Cost-Effectiveness and Cost-Benefit Analysis." In *Handbook of Practical Program Evaluation*, edited by J. S. Wholey, H. P. Hatry, and K. E. Newcomer, 493–530. San Francisco: Jossey-Bass.

Citizenship and Immigration Canada. 2013. *Facts and Figures 2013: Immigration Overview: Permanent Residents by Top Languages Reported as Mother Tongue*. [www.cic.gc.ca/english/resources/statistics/facts2013/permanent/21.asp](http://www.cic.gc.ca/english/resources/statistics/facts2013/permanent/21.asp).

- Cohen-Goldner, S., and Z. Eckstein. 2010. "Estimating the Return to Training and Occupational Experience: The Case of Female Immigrants." *Journal of Econometrics* 156 (1): 86–105.
- Corbiere, M., and T. Lecomte. 2009. "Vocational Services Offered to People with Severe Mental Illness." *Journal of Mental Health* 18 (1): 38.
- Creed, P. A., T. D. Bloxsome, and K. Johnston. 2001. "Self-Esteem and Self-Efficacy Outcomes for Unemployed Individuals Attending Occupational Skills Training Programs." *Community, Work and Family* 4 (3): 285–303.
- Creese, G., and B. Wiebe. 2012. "'Survival Employment': Gender and Deskilling among African Immigrants in Canada." *International Migration* 50 (5): 56–76.
- Denny, S., R. Hazenberg, W. Irwin, and F. Seddon. 2011, April 11–13. *Social Enterprise and the Individual: An Examination of a Work-Integration Social Enterprise (WISE) and Its Impact upon Unemployed University Graduate's Self-Efficacy and Attitudes to Enterprise*. Paper presented at the Fifteenth Annual Conference of the International Research Society for Public Management (IRSPM XV), Trinity College, Dublin.
- Disney, R. 1992. *Helping the Unemployed: Active Labour Market Policies in Britain and Germany*. London: Anglo-German Foundation for the Study of Industrial Society.
- Employment and Social Development Canada. 2012. *Work—Unemployment Duration*. [www4.hrsdc.gc.ca/.3ndic.1t.4r@-eng.jsp?iid=15](http://www4.hrsdc.gc.ca/.3ndic.1t.4r@-eng.jsp?iid=15).
- Gallie, D., S. Paugam, and S. Jacobs. 2003. "Unemployment, Poverty and Social Isolation: Is There a Vicious Circle of Social Exclusion?" *European Societies* 5 (1): 1–32.
- Glaser, B. G., and A. L. Strauss. 1967. *The Discovery of Grounded Theory: Strategies for Qualitative Research*. New York: Aldine.

Handy, F., and I. Greenspan. 2009. "Immigrant Volunteering: A Stepping Stone to Integration?" *Nonprofit and Voluntary Sector Quarterly* 38 (6): 956–82.

International Labor Office. 2010. *Women in Labour Markets: Measuring Progress and Identifying Challenges*. [www.ilo.org/empelm/pubs/WCMS\\_123835/lang--en/index.htm](http://www.ilo.org/empelm/pubs/WCMS_123835/lang--en/index.htm).

Kerlin, J. A. 2010. "A Comparative Analysis of the Global Emergence of Social Enterprise." *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations* 21 (2): 162–79.

Kirsh, B., T. Krupa, L. Cockburn, and R. Gewurtz. 2010. "A Canadian Model of Work Integration for Persons with Mental Illnesses." *Disability and Rehabilitation* 32 (22): 1833–46.

Krlev, G., R. Münscher, and K. Mülbart. 2013. *Social Return on Investment (SROI): State-of-the-Art and Perspectives—A Meta-analysis of Practice in Social Return on Investment (SROI) Studies Published 2002–2012*. Heidelberg: Centre for Social Investment.

Lowe, J. 2008. *Intergenerational Wealth Transfers and Social Discounting: Supplementary Green Book Guidance*.  
[www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/193938/Green\\_Book\\_supplementary\\_guidance\\_intergenerational\\_wealth\\_transfers\\_and\\_social\\_discounting.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/193938/Green_Book_supplementary_guidance_intergenerational_wealth_transfers_and_social_discounting.pdf).

Maier, F., C. Schober, R. Simsa, and R. Millner. 2014. "SROI as a Method for Evaluation Research: Understanding Merits and Limitations." *Voluntas: International Journal of Voluntary and Nonprofit Organizations*. doi: [10.1007/s11266-014-9490-x](https://doi.org/10.1007/s11266-014-9490-x).

Mertens, S., V. Xhaufclair, and M. Marée. 2015. "Questioning the Social Return on Investment (SROI)." *SOCENT Publication, Interuniversity Attraction Pole on Social Enterprise*. <http://iap-socent.be/publications/questioning-social-return-investment-sroi>.

Momentum. 2012. *Social Return on Investment Case Study: Women's Venture Program*. [https://ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/ccednet/pdfs/2012-Momentum\\_WVP\\_SROI.pdf](https://ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/ccednet/pdfs/2012-Momentum_WVP_SROI.pdf).

Mook, L., S. Ryan, J. Maiorano, A. Armstrong, and J. Quarter. 2015. "Guest Editors' Introduction." *Nonprofit Management & Leadership* 26 (2). doi: [10.1002/nml.21194](https://doi.org/10.1002/nml.21194).

Nicholls, J., E. Lawlor, E. Neitzert, and T. Goodspeed. 2012. *A Guide to Social Return on Investment*, 2nd ed. [www.thesroinetwork.org/publications/doc\\_details/241-a-guide-to-social-return-on-investment-2012](http://www.thesroinetwork.org/publications/doc_details/241-a-guide-to-social-return-on-investment-2012).

O'Connor, A. 2000. "Poverty Research and Policy for the Post-Welfare Era." *Annual Review of Sociology* 26:547–62.

Off Centre. 2012. *Off Centre Social Return on Investment*. [www.offcentre.org.uk/our-research/for-every-1-we-receive-we-generate-almost-530-in-community-b.html](http://www.offcentre.org.uk/our-research/for-every-1-we-receive-we-generate-almost-530-in-community-b.html).

Perista, H., and S. Nogueira. 2004. *Work Integration Social Enterprises in Portugal*. WP no. 04/06. EMES Working Papers Series.

Quarter, J., S. Ryan, and A. Chan. 2015. *Social Purpose Enterprises: Case Studies for Social Change*. Toronto: University of Toronto Press.

Reitz, J. G. 2001. "Immigrant Skill Utilization in the Canadian Labour Market: Implications of Human Capital Research." *Journal of International Migration and Integration* 2 (3): 347–78.

Rotheroe, N., and A. Richards. 2007. "Social Return on Investment and Social Enterprise: Transparent Accountability for Sustainable Development." *Social Enterprise Journal* 3 (1): 31–48.

Schmid, G., and B. Gazier. 2002. *The Dynamics of Full Employment: Social Integration through Transitional Labour Markets*. Cheltenham, UK: Edward Elgar.



- Sigle-Rushton, W., and J. Waldfogel. 2007. "Motherhood and Women's Earnings in Anglo-American, Continental European, and Nordic Countries." *Feminist Economics* 13 (2): 55–91.
- Spear, R., and E. Bidet. 2005. "Social Enterprise for Work Integration in Twelve European Countries: A Descriptive Analysis." *Annals of Public and Cooperative Economics* 76 (2): 195–231.
- SROI Network. 2013. *The SROI Network*. [www.thesroinetwork.org/](http://www.thesroinetwork.org/).
- Statistics Canada. 2014. *Labour Force Characteristics*. [www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/lfss03f-eng.htm](http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/lfss03f-eng.htm).
- Statistics Canada. 2015a. *Labor Force Survey Estimates (LFS), by Immigrant Status, Educational Attainment, Sex and Age Group, Canada, 3-Month Moving Average, Unadjusted for Seasonality, Monthly (persons unless otherwise noted)*. [www5.statcan.gc.ca/cansim/a26?lang=eng&id=2820105](http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2820105).
- Statistics Canada. 2015b. *Table 282–0102—Labour Force Survey Estimates (LFS), by Immigrant Status, Age Group, Canada, Regions, Provinces and Montreal, Toronto, Vancouver Census Metropolitan Areas, Annual (persons unless otherwise noted). CANSIM (database)*. [www5.statcan.gc.ca/cansim/pick-choisir?lang=eng&p2=33&id=2820102](http://www5.statcan.gc.ca/cansim/pick-choisir?lang=eng&p2=33&id=2820102).
- Statistics Canada. 2015c. *Table—Labour Force Characteristics by Age and Sex, Canada, Seasonally Adjusted*. [www.statcan.gc.ca/pub/71-001-x/2015006/t001-eng.htm](http://www.statcan.gc.ca/pub/71-001-x/2015006/t001-eng.htm).
- Stevenson, N., M. Taylor, F. Lyon, and M. Rigby. 2010. *Joining the Dots: Social Impact Measurement, Commissioning from the Third Sector and Supporting Social Enterprise Development: Mutual Advantage*. Bedford, United Kingdom: EEDA, Social Enterprise East of England, Improvement East.
- Stier, H., N. Lewin-Epstein, and M. Braun. 2001. "Welfare Regimes, Family-Supportive Policies, and Women's Employment along the Life-Course." *American Journal of Sociology* 106 (6): 1731–60.

Tastsoglou, E., and V. Preston. 2012. "Gender, Immigration and Labour Market Integration: Where We Are and What We Still Need to Know." *Atlantis: Critical Studies in Gender, Culture and Social Justice* 30 (1): 46–59.

Toronto Employment and Social Services. 2014. *Workforce Development Strategy: 2013 Progress Report*. [www.toronto.ca/legdocs/mmis/2014/ed/bgrd/backgroundfile-66932.pdf](http://www.toronto.ca/legdocs/mmis/2014/ed/bgrd/backgroundfile-66932.pdf).

Vidal, I. 2005. "Social Enterprise and Social Inclusion: Social Enterprises in the Sphere of Work Integration." *International Journal of Public Administration* 28 (9–10): 807–25.

Walk, M., I. Greenspan, H. Crossley, and F. Handy. 2014. "Canadian Immigrants and their Access to Services: A Case Study of a Social Purpose Enterprise." In *Social Purpose Enterprises: Case Studies for Social Change*, edited by J. Quarter, S. Ryan, and A. Chan, 162–87. Toronto: University of Toronto Press.

Walk, M., I. Greenspan, H. Crossley, and F. Handy. 2015. "Mind the Gap: Expectations and Experiences of Clients Utilizing Job-Training Services in a Social Enterprise." *Annals of Public and Cooperative Economics* 86 (2): 221–44.

Working Skills Centre. (n.d.). About us. <http://workingskillscentre.com/about-us/>.

Zietsma, D. 2007. *The Canadian Immigrant Labour Market in 2006: First Results from Canada's Labour Force Survey*. Catalogue no. 71–606-XIE2007001. Ottawa: Statistics Canada.

**Table 1. Inputs (average per client)**

Stakeholder	Input	Description	Value (CND\$)
<i>Note: n = 110.</i>			
Clients	Payment for child care	\$331.50 for each of 40/110 clients (36%) for 6-month period	120.55
	Travel costs	Monthly travel pass for Toronto public transit (Toronto Transit Commission) \$128.50 for 6 months	771.00
Volunteers	Volunteer receptionist	5 volunteers work on average twice a week for 5 hours each = > 1.25 full-time equivalent. Average hourly wage for a receptionist is \$13.00.	153.64
Instructors	Teach classes	Paid through City of Toronto grant	0.00
Funders:			
City of Toronto	Grant	Per client	3,000.00
	Clothing allowance	Per client	250.00
	Child care subsidy	\$125 per child x 2 children for each of 40/110 clients for 6-month period	545.45
Ontario Ministry of Citizenship & Immigration	Grant	Per client	87.26
Other donors	Grants and donations	To support overhead costs, per client	75.76
Total Inputs			5,003.66

**Table 2. Outcomes (average per client)**

Outcome	Financial Proxy	Duration	Amount	Deadweight	Attribution	Drop-Off	Year 1	Year 2 (discount rate 3.5%)	Year 3 (discount rate 3.5%)
1. Note: $n = 110$ .									
Receive training certificate	Increase in earning power for those who completed program, but are not yet employed (30%) = \$1,000 annually	3-year	\$300.00	17.5%	20%	75%	\$198.00	\$47.83	\$11.55
Finding employment	Increase earning power for those who found employment (70%); diff. between social assistance (OW) and actual earnings when employed (earnings now—minimum wage: \$12–\$10.25 = \$1.75 per hour). 50% work fulltime = > 40	3-year	\$1,919.27	3.1%	20%	40%	\$1,487.82	\$862.50	\$500.00

	hours/week, 50% part time => 20/hours/week × 52 weeks								
Time managemen t	Based on cost of time management course (\$399) for 88/110 clients (80%)	2-year	\$319.20	17.5%	30%	-	\$184.34	\$178.10	
Personal assets (self- esteem and self- confidence)	3% of gross income using pre-income data (= social assistance) for 48/110 clients (44%): 50% single, 50% with 2 kids: \$626/ month single, \$992/month for 2 kids	2-year	\$127.09	17.5%	20%	10%	\$83.88	\$72.94	
Social and professiona l networks	Same proxy as self- esteem and self-efficacy for 98/110 clients (89%)	2-year	\$259.47	7.5%	20%	10%	\$192.01	\$166.96	
Social assistance cost—City of Toronto	Decrease in social assistance subsidies (77/110): 50% single, 50% with 2 kids: \$626/month single,	2-year	\$6,795.6 0	17.5%	20%	60%	\$4,485.1 0	\$1,733.3 7	

\$992/month  
for 2 kids

Decrease:							
Child care	50% of clients						
subsidy—	with child						
City of	care subsidies	1-year	\$272.73	17.5%	20%	\$180.00	
Toronto	no longer in						
	need						
<b>Total Outcomes (average</b>			<b>\$9,993.3</b>			<b>\$6,811.1</b>	<b>\$3,061.7</b>
<b>over 110 clients)</b>			<b>5</b>			<b>4</b>	<b>0</b>
							<b>\$511.55</b>

**Total Present Value (adding years 1–3): \$10,384.40**

Net Present Value (total present value – inputs): \$5,380.74

---

Note: n=110.

---

**Figure 1. A.C.E.S. Theory of Change**

